

**STATE OF WEST VIRGINIA
WEST VIRGINIA SECURITIES DIVISION
BEFORE THE SECURITIES COMMISSIONER
CHARLESTON, WEST VIRGINIA 25305**

IN THE MATTER OF:

CASE NO. 94-1074

ORDER APPROVING EXEMPTION

PHILADELPHIA STOCK EXCHANGE, INC.

ATTN: Patricia North
Philadelphia Stock Exchange Building
1900 Market Street
Philadelphia, PA 19103-3584

ORDER

Pursuant to the authority granted to him by Chapter 32 of the West Virginia Code, 1931, as amended, the West Virginia Uniform Securities Act, hereinafter referred to as the "Act", and particularly Chapter 32, Article 4, Section 412 of the Act, the Commissioner of Securities ("Commissioner"), has reviewed the **PHILADELPHIA STOCK EXCHANGE, INC. ("PSE")**, request to be an approved Exchange within the meaning of Chapter 32, Article 4, Section 402(a)(8) of the Act.

Pursuant to said review, the Commissioner is of the opinion and finds as follows:

FINDINGS OF FACT

1. In December 1994, PSE made a formal request to the Commissioner to be included in Section 32-4-402(a)(8) of the Act.
2. In October 1994, PSE entered into a Memorandum of Understanding ("MOU") with the North American Securities Administrators Association ("NASAA") in which PSE agreed to maintain certain minimum listing standards set forth in the MOU.
3. In June 1994, PSE adopted new comprehensive rules for listing criteria. These rule changes were approved by the Securities and Exchange Commission ("SEC").

4. PSE was recognized as a "regional stock exchange" and, as such, was included in the exemption of Chapter 32, Article 4, Section 402(a)(8) of the Act. However, in 1991, amendments to the West Virginia exchange exemption rewrote (a)(8) excluding PSE and leaving it to the Commissioner to approve "any other stock exchange".

5. The Commissioner finds that it is necessary and appropriate in the public interest and is consistent with the purposes fairly intended by the policy and provisions of Chapter 32 of the Act, to grant approval of PSE as an exempt exchange within the meaning of Chapter 32, Article 4, Section 402(a)(8) of the Act.

CONCLUSIONS OF LAW

1. Chapter 32, Article 4, Section 412(a) of the Act provides that the Commissioner may issue orders as are necessary to carry out the provisions of the Act.

2. The Act's exemption provisions, specifically Chapter 32, Article 4, Section 402(a)(8) are sufficiently broad enough to allow the Commissioner flexibility to adopt a policy exempting PSE.

IT IS, THEREFORE, ORDERED that PSE is an exempt exchange within the meaning of Chapter 32, Article 4, Section 402(a)(8) of the Act.

ENTERED THIS 27TH DAY OF DECEMBER, 1994

Glen B. Gainer III
Commissioner of Securities

By: Frank D Childers
Deputy Commissioner of Securities